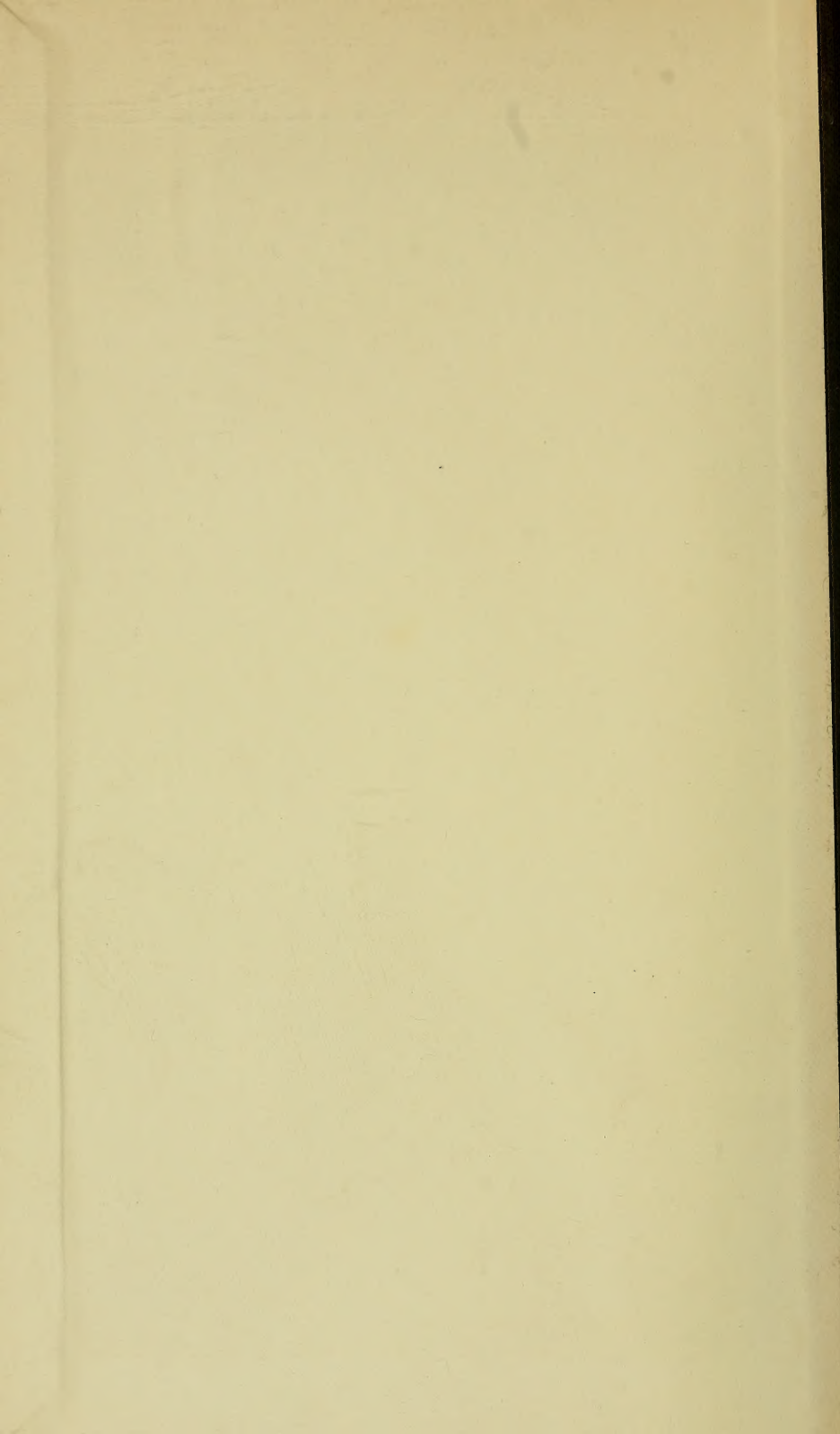
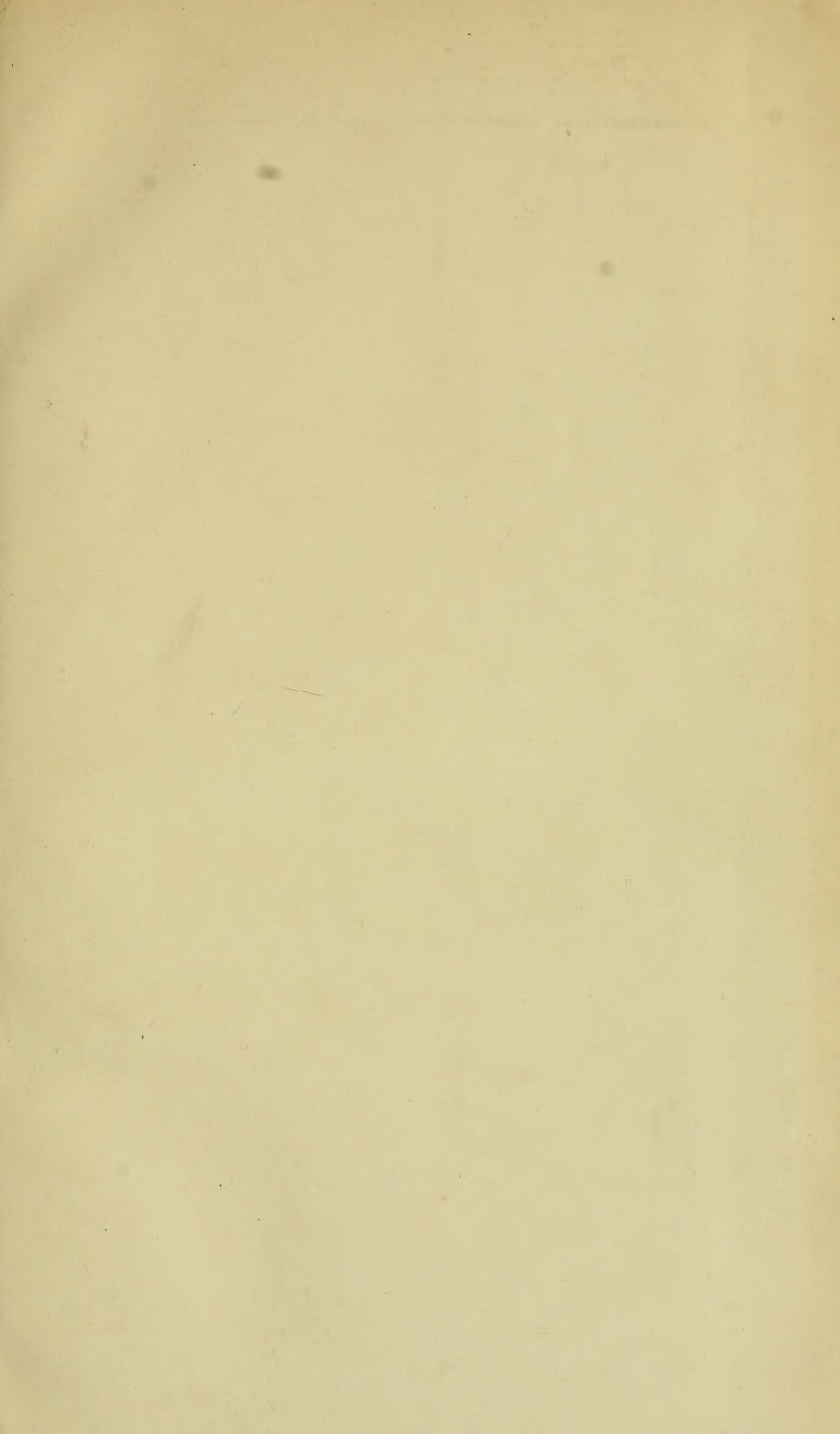


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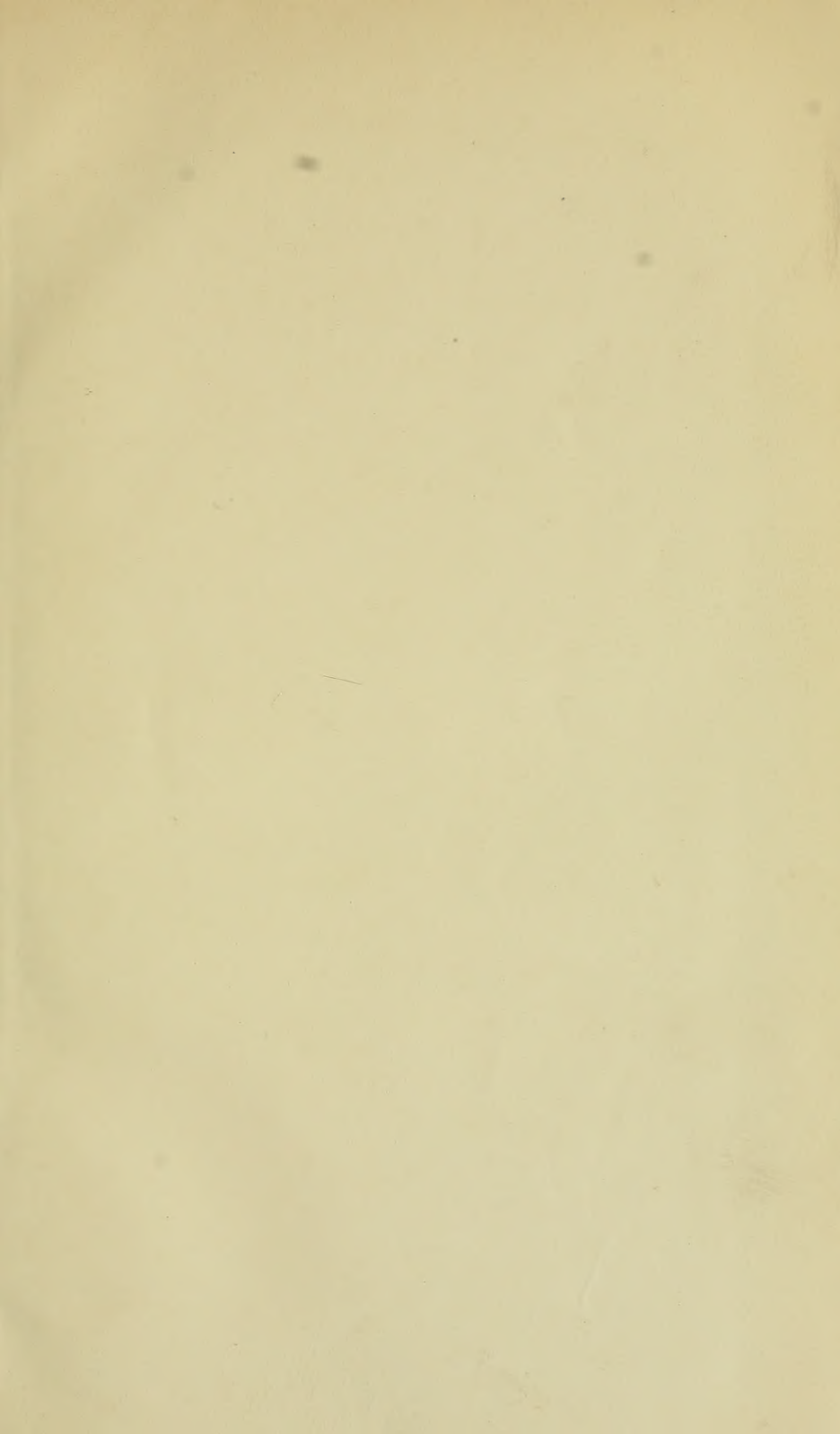
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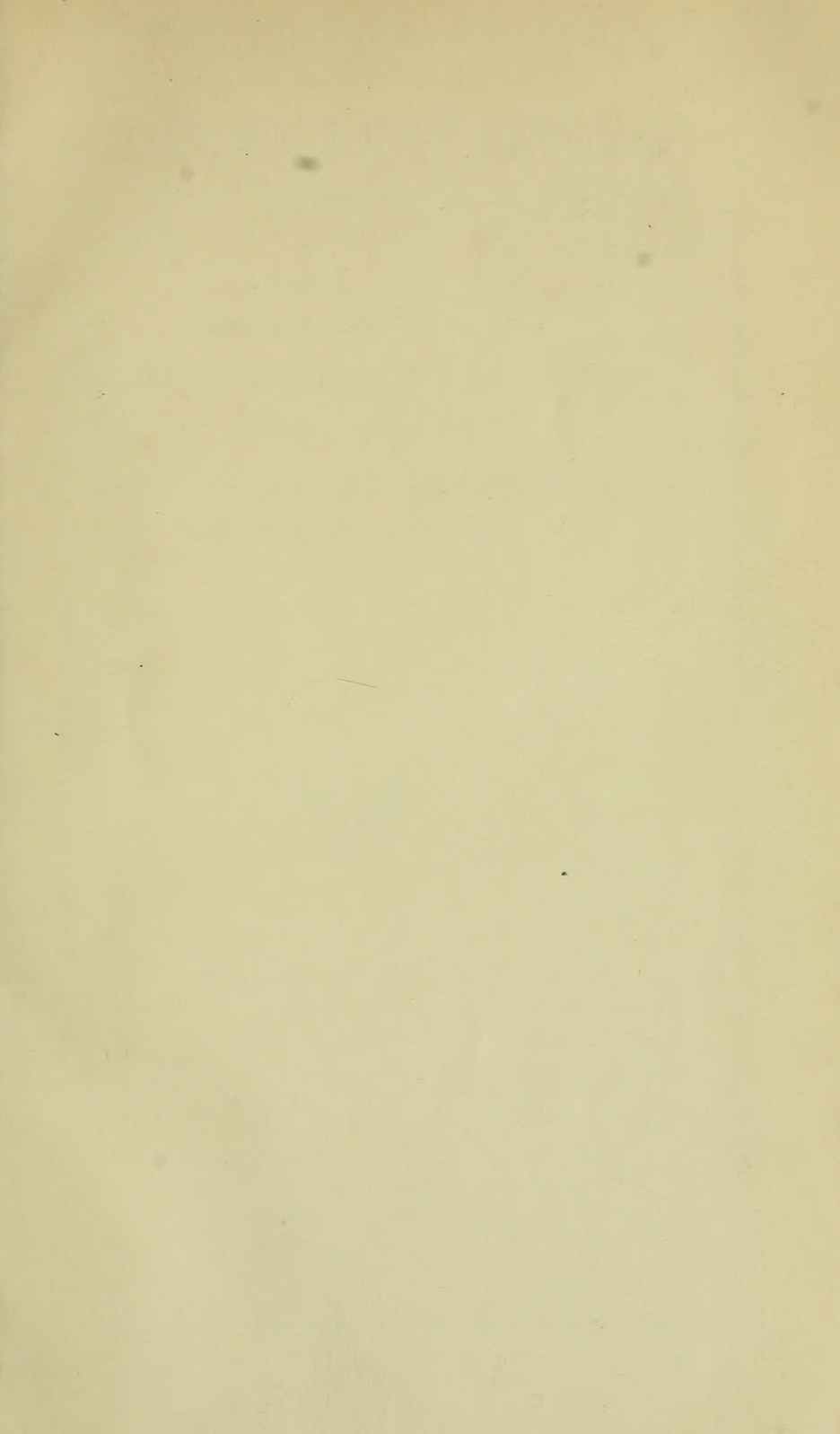
















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### INDIVIDUAL INCOME TAXATION

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## INDIVIDUAL INCOME TAXES

<i>Existing law</i>	<i>House bill</i>
Normal tax, 4 percent-----	No change.
Surtax. (See table I.)-----	
Exemptions:	
Single person, \$800-----	Do.
Married person, \$2,000-----	Do.
Credit for dependents, \$400-----	Do.
Earned income, <sup>1</sup> 10 percent credit against income for normal tax only-----	Do.
Assets held 18 months or less, 100 percent of gain taxable at normal and surtax rates-----	Do.
Assets held between 18 months and 2 years; tax cannot exceed 20 percent of gain-----	Do.
Assets held over 2 years, tax cannot exceed 15 percent of gain-----	Do.

<sup>1</sup> Earned income: First \$3,000 income treated as earned but earned income cannot exceed \$14,000.



TABLE I  
*Comparison of surtax rates and cumulative surtax*

Surtax net income classes	Surtax rates			Cumulative surtax		
	Present law	Treasury plan	House bill	Present law	Treasury plan	House bill
	Percent	Percent	Percent			
\$0 to \$2,000	0	11	5	-----	\$220	\$100
\$2,000 to \$4,000	0	14	8	-----	500	260
\$4,000 to \$6,000	4	16	11	-----	820	480
\$6,000 to \$8,000	6	19	15	\$80	1,200	780
\$8,000 to \$10,000	8	21	19	200	1,620	1,160
\$10,000 to \$12,000	10	23	22	360	2,080	1,600
\$12,000 to \$14,000	12	25	25	560	2,580	2,100
\$14,000 to \$16,000	15	27	28	800	3,120	2,660
\$16,000 to \$18,000	18	29	31	1,100	3,700	3,280
\$18,000 to \$20,000	21	31	33	1,460	4,320	3,940
\$20,000 to \$22,000	24	33	36	1,880	4,980	4,660
\$22,000 to \$26,000	27	36	39	2,360	6,420	6,220
\$26,000 to \$32,000	30	39	42	3,440	8,760	8,740
\$32,000 to \$38,000	33	42	45	5,240	11,280	11,440
\$38,000 to \$44,000	36	45	48	7,220	13,980	14,320
\$44,000 to \$50,000	40	48	50	9,380	16,860	17,320
\$50,000 to \$60,000	44	51	53	11,780	21,960	22,620
\$60,000 to \$70,000	47	54	55	16,180	27,360	28,120
\$70,000 to \$80,000	50	57	57	20,880	33,060	33,820
\$80,000 to \$90,000	53	59	59	25,880	38,960	39,720
				31,180		

\$90,000 to \$100,000	56	61	36,780	45,060	45,820
\$100,000 to \$150,000	58	62	65,780	76,060	76,820
\$150,000 to \$200,000	60	63	95,780	107,560	108,320
\$200,000 to \$250,000	62	64	126,780	139,560	140,320
\$250,000 to \$300,000	64	66	158,780	172,560	173,320
\$300,000 to \$400,000	66	68	224,780	240,560	241,320
\$400,000 to \$500,000	68	70	292,780	310,560	311,320
\$500,000 to \$750,000	70	72	467,780	490,560	488,820
\$750,000 to \$1,000,000	72	72	647,780	670,560	668,820
\$1,000,000 to \$2,000,000	73	73	1,377,780	1,400,560	1,398,820
\$2,000,000 to \$5,000,000	74	74	3,597,780	3,620,560	3,618,820
Over \$5,000,000	75	75			

TABLE II

*Comparison of tax and effective rate on single person (all income earned)*

Net income	Tax			Effective rate		
	Present law	Treasury plan	House bill	Present law	Treasury plan	House bill
				Percent	Percent	Percent
\$800				0.05	1.39	0.66
\$900	\$0.44	\$12.54	\$5.94	.44	2.86	1.54
\$1,000	4.40	28.60	15.40	2.20	9.46	5.50
\$2,000	44.00	189.20	110.00	2.55	10.78	6.29
\$2,500	63.80	269.50	157.30	2.79	11.88	7.04
\$3,000	83.60	356.40	211.20	3.08	13.75	8.47
\$4,000	123.20	550.00	338.80	3.43	14.96	9.46
\$5,000	171.60	748.00	473.00	4.25	16.06	10.56
\$6,000	255.20	963.60	633.60	4.90	16.94	11.47
\$7,000	343.20	1,185.80	803.00	5.61	17.93	12.59
\$8,000	448.80	1,434.40	1,007.60	6.21	18.75	13.57
\$9,000	558.80	1,687.40	1,221.00	6.86	19.58	14.70
\$10,000	686.40	1,958.00	1,469.60	9.84	23.07	19.56
\$15,000	1,476.20	3,460.60	2,934.80	13.33	26.31	24.13
\$20,000	2,666.40	5,262.40	4,826.80	17.01	29.41	18.29
\$25,000	4,252.60	7,352.40	7,073.00	20.21	32.19	31.81
\$30,000	6,063.20	9,658.00	9,543.60	29.42	40.45	41.43
\$50,000	14,709.20	20,226.80	20,715.20	33.26	43.75	44.93
\$60,000	19,954.00	26,250.40	26,958.80	39.31	49.11	50.15
\$80,000	31,451.20	39,287.60	40,123.60			

\$100,000	44,268.40	53,332.40	54,168.40	44.27	53.33	54.17
\$150,000	78,350.80	88,328.40	89,012.40	52.23	58.88	59.34
\$250,000	147,576.40	159,064.00	159,748.00	59.03	63.62	63.90
\$500,000	330,933.20	346,920.80	347,604.80	66.19	69.38	69.52
\$750,000	522,418.80	542,906.40	541,347.60	69.66	72.39	72.18
\$1,000,000	718,404.40	738,906.40	737,340.40	71.84	73.89	73.73
\$2,000,000	1,511,397.20	1,531,899.20	1,530,333.20	75.57	76.59	76.52
\$5,000,000	3,917,390.00	3,937,892.00	3,936,326.00	78.35	78.76	78.73

TABLE III

*Comparison of tax and effective rate on married person without dependents (all income earned)*

Net income	Tax			Effective rate		
	Present law	Treasury plan	House bill	Present law	Treasury plan	House bill
				Percent	Percent	Percent
\$2,000		\$71.50	\$38.50	0.44	2.86	1.54
\$2,500	\$11.00	151.80	85.80	1.03	5.06	2.86
\$3,000	30.80	312.40	180.40	1.76	7.81	4.51
\$4,000	70.40					
\$5,000	110.00	506.00	308.00	2.20	10.12	6.16
\$6,000	149.60	699.60	435.60	2.49	11.66	7.26
\$7,000	233.20	915.20	596.20	3.33	13.07	8.52
\$8,000	316.80	1,130.80	756.80	3.96	14.13	9.46
\$9,000	422.40	1,379.40	961.40	4.69	15.33	10.68
\$10,000	528.00	1,628.00	1,166.00	5.28	16.28	11.66
\$15,000	1,258.40	3,073.40	2,545.40	8.39	20.49	16.97
\$20,000	2,336.40	4,800.40	4,338.40	11.68	24.00	21.69
\$25,000	3,843.40	6,824.40	6,505.40	15.37	27.30	26.02
\$30,000	5,614.40	9,090.40	8,936.40	18.71	30.30	29.79
\$50,000	14,128.40	19,540.40	20,002.40	28.26	39.08	40.00
\$60,000	19,320.40	25,524.40	26,206.40	32.20	42.54	43.68
\$80,000	30,738.40	38,482.40	39,318.40	38.42	48.10	49.15
\$100,000	43,476.40	52,474.40	53,310.40	43.48	52.47	53.31
\$150,000	77,532.40	87,615.60	88,299.60	51.69	58.41	58.87
\$250,000	146,863.60	158,329.60	159,013.60	58.74	63.33	63.60



\$500,000	330, 155. 60	346, 121. 60	346, 805. 60	66. 03	69. 22	69. 36
\$750,000	521, 619. 60	542, 085. 60	540, 537. 60	69. 55	72. 28	72. 07
\$1,000,000	717, 583. 60	738, 085. 60	736, 519. 60	71. 76	73. 81	73. 65
\$2,000,000	1, 510, 565. 60	1, 531, 067. 60	1, 529, 501. 60	75. 53	76. 55	76. 47
\$5,000,000	3, 916, 547. 60	3, 937, 049. 60	3, 935, 483. 60	78. 33	78. 74	78. 71

TABLE IV

*Comparison of amount of tax increase over present law*

Net income	Single person		Married person, no dependent	
	Treasury plan	House bill	Treasury plan	House bill
\$900-----	\$12. 10	\$5. 50		
\$1,000-----	24. 20	11. 00		
\$2,000-----	145. 20	66. 00		
\$2,500-----	205. 70	93. 50	\$60. 50	\$27. 50
\$3,000-----	272. 80	127. 60	121. 00	55. 00
\$4,000-----	426. 80	215. 60	242. 00	114. 00
\$5,000-----	576. 40	301. 40	396. 00	198. 00
\$6,000-----	708. 40	378. 40	550. 00	286. 00
\$7,000-----	842. 60	459. 80	682. 00	363. 00
\$8,000-----	985. 60	558. 80	814. 00	440. 00
\$9,000-----	1, 128. 60	662. 20	957. 00	539. 00
\$10,000-----	1, 271. 60	783. 20	1, 100. 00	638. 00
\$15,000-----	1, 984. 40	1, 458. 60	1, 815. 00	1, 287. 00
\$20,000-----	2, 596. 00	2, 160. 40	2, 464. 00	2, 002. 00
\$25,000-----	3, 099. 80	2, 820. 40	2, 981. 00	2, 662. 00
\$30,000-----	3, 594. 80	3, 480. 40	3, 476. 00	3, 322. 00
\$50,000-----	5, 517. 60	6, 006. 00	5, 412. 00	5, 874. 00
\$60,000-----	6, 296. 40	7, 004. 80	6, 204. 00	6, 886. 00
\$80,000-----	7, 836. 40	8, 672. 40	7, 744. 00	8, 580. 00
\$100,000-----	9, 064. 00	9, 900. 00	8, 998. 00	9, 834. 00
\$150,000-----	9, 977. 60	10, 661. 60	10, 083. 20	10, 767. 20
\$250,000-----	11, 487. 60	12, 171. 60	11, 466. 00	12, 150. 00
\$500,000-----	15, 987. 60	16, 671. 60	15, 966. 00	16, 650. 00
\$750,000-----	20, 487. 60	18, 928. 80	20, 466. 00	18, 918. 00
\$1,000,000-----	20, 502. 00	18, 936. 00	20, 502. 00	18, 936. 00
\$2,000,000-----	20, 502. 00	18, 936. 00	20, 502. 00	18, 936. 00
\$5,000,000-----	20, 502. 00	18, 936. 00	20, 502. 00	18, 936. 00

TABLE V

*Comparison of percent increase in tax over present law*

Net income	Single person		Married person, no dependents	
	Treasury plan	House bill	Treasury plan	House bill
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
\$900-----	2, 750. 00	1, 250. 00	-----	-----
\$1,000-----	550. 00	250. 00	-----	-----
\$2,000-----	330. 00	150. 00	-----	-----
\$2,500-----	322. 41	146. 55	550. 00	250. 00
\$3,000-----	326. 32	152. 63	392. 86	178. 57
\$4,000-----	346. 43	175. 00	343. 75	161. 93
\$5,000-----	335. 90	175. 64	360. 00	180. 00
\$6,000-----	277. 59	148. 28	367. 65	191. 18
\$7,000-----	245. 51	133. 97	292. 45	155. 66
\$8,000-----	219. 61	124. 51	256. 94	138. 89
\$9,000-----	201. 97	118. 50	226. 56	127. 60
\$10,000-----	185. 26	114. 10	208. 33	120. 83
\$15,000-----	134. 43	98. 81	144. 23	102. 27
\$20,000-----	97. 36	81. 02	105. 46	85. 68
\$25,000-----	72. 89	66. 32	77. 56	69. 26
\$30,000-----	59. 29	57. 40	61. 91	59. 17
\$50,000-----	37. 51	40. 83	38. 31	41. 58
\$60,000-----	31. 55	35. 10	32. 11	35. 64
\$80,000-----	24. 92	27. 57	25. 19	27. 91
\$100,000-----	20. 48	22. 36	20. 70	22. 62
\$150,000-----	12. 73	13. 61	13. 01	13. 89
\$250,000-----	7. 78	8. 25	7. 81	8. 27
\$500,000-----	4. 83	5. 04	4. 84	5. 04
\$750,000-----	3. 92	3. 62	3. 92	3. 63
\$1,000,000-----	2. 85	2. 64	2. 86	2. 64
\$2,000,000-----	1. 36	1. 25	1. 36	1. 25
\$5,000,000-----	. 52	. 48	. 52	. 48

TABLE VI

*Comparison of tax on single person (all income earned)*

Net income	Tax under—				
	Present law	Treasury plan	House bill	House rates with exemption reduced to \$750	Increase over House bill
\$750					\$2.75
\$800					4.95
\$900	\$0.44	\$12.54	\$5.94	10.89	4.95
\$1,000	4.40	28.60	15.40	20.35	4.95
\$1,500	24.20	108.90	62.70	67.65	4.95
\$2,000	44.00	189.20	110.00	114.95	4.95
\$2,500	63.80	269.50	157.30	162.25	4.95
\$3,000	83.60	356.40	211.20	217.80	6.60
\$4,000	123.20	550.00	338.80	345.40	6.60
\$5,000	171.60	748.00	473.00	481.00	8.25
\$6,000	255.20	963.60	633.60	641.85	8.25
\$7,000	343.20	1,185.80	803.00	813.45	10.45
\$8,000	448.80	1,434.40	1,007.60	1,018.05	10.45
\$9,000	558.80	1,687.40	1,221.00	1,233.65	12.65
\$10,000	686.40	1,958.00	1,469.60	1,482.25	12.65
\$15,000	1,476.20	3,460.60	2,934.80	2,952.40	17.60
\$20,000	2,666.40	5,262.40	4,826.80	4,847.15	20.35
\$25,000	4,252.60	7,352.40	7,073.00	7,096.65	23.65
\$30,000	6,063.20	9,658.00	9,543.60	9,568.90	25.30

\$50,000	14,709.20	20,226.80	20,715.20	20,744.90	29.70
\$60,000	19,954.00	26,250.40	26,958.80	26,990.15	31.35
\$80,000	31,451.20	39,287.60	40,123.60	40,157.15	33.55
\$100,000	44,268.40	53,332.40	54,168.40	54,204.15	35.75
\$150,000	78,350.80	88,328.40	89,012.40	89,042.10	29.70
\$250,000	147,576.40	159,064.00	159,748.00	159,778.60	30.60
\$500,000	330,933.20	346,920.80	347,604.80	347,638.10	33.30
\$750,000	522,418.80	542,906.40	541,347.60	541,381.35	33.75
\$1,000,000	718,404.40	738,906.40	737,340.40	737,374.60	34.20
\$2,000,000	1,511,397.20	1,531,899.20	1,530,333.20	1,530,367.85	34.65
\$5,000,000	3,917,390.00	3,937,892.00	3,936,326.00	3,936,361.10	35.10



TABLE VII

*Comparison of tax on married person, no dependents (all income earned)*

Net income	Tax under—				
	Present law	Treasury plan	House bill	House rates with exemption reduced to \$1,500	Increase over House bill
\$2,000-----				\$40. 70	\$40. 70
\$2,500-----	\$11. 00	\$71. 50	\$38. 50	88. 00	49. 50
\$3,000-----	30. 80	151. 80	85. 80	135. 30	49. 50
\$4,000-----	70. 40	312. 40	180. 40	246. 40	66. 00
\$5,000-----	110. 00	506. 00	308. 00	374. 00	66. 00
\$6,000-----	149. 60	699. 60	435. 60	518. 10	82. 50
\$7,000-----	233. 20	915. 20	596. 20	678. 70	82. 50
\$8,000-----	316. 80	1, 130. 80	756. 80	861. 30	104. 50
\$9,000-----	422. 40	1, 379. 40	961. 40	1, 065. 90	104. 50
\$10,000-----	528. 00	1, 628. 00	1, 166. 00	1, 292. 50	126. 50
\$15,000-----	1, 258. 40	3, 073. 40	2, 545. 40	2, 704. 90	159. 50
\$20,000-----	2, 336. 40	4, 800. 40	4, 338. 40	4, 541. 90	203. 50
\$25,000-----	3, 843. 40	6, 824. 40	6, 505. 40	6, 741. 90	236. 50
\$30,000-----	5, 614. 40	9, 090. 40	8, 936. 40	9, 189. 40	253. 00
\$50,000-----	14, 128. 40	19, 540. 40	20, 002. 40	20, 299. 40	297. 00
\$60,000-----	19, 320. 40	25, 524. 40	26, 206. 40	26, 519. 90	313. 50
\$80,000-----	30, 738. 40	38, 482. 40	39, 318. 40	39, 653. 90	335. 50
\$100,000-----	43, 476. 40	52, 474. 40	53, 310. 40	53, 667. 90	357. 50
\$150,000-----	77, 532. 40	87, 615. 60	88, 299. 60	88, 596. 60	297. 00

\$250,000	-----	146, 863. 60	158, 329. 60	159, 013. 60	159, 319. 60	306. 00
\$500,000	-----	330, 155. 60	346, 121. 60	346, 805. 60	347, 138. 60	333. 00
\$750,000	-----	521, 619. 60	542, 085. 60	540, 537. 60	540, 875. 10	337. 50
\$1,000,000	-----	717, 583. 60	738, 085. 60	736, 519. 60	736, 861. 60	342. 00
\$2,000,000	-----	1, 510, 565. 60	1, 531, 067. 60	1, 529, 501. 60	1, 529, 848. 10	346. 50
\$5,000,000	-----	3, 916, 547. 60	3, 937, 049. 60	3, 935, 483. 60	3, 935, 834. 60	351. 00

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